

**STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS
BATON ROUGE, LOUISIANA**

DATE: JANUARY 11, 2008

POLICY NO. RML-01-08

**RESIDENTIAL MORTGAGE ORIGINATORS
CONDITIONAL LICENSING**

PURPOSE

To expedite the issuance of mortgage originator licenses in cases when the only required item outstanding is a criminal history report from the state police and/or the Federal Bureau of Investigators. This will be accomplished by issuing licenses to individuals which request said with the understanding that the license is being issued on a conditional basis pending receipt of a complete criminal history report.

TO WHOM THIS POLICY APPLIES

This policy applies to all persons applying for a license as a residential mortgage loan originator.

BACKGROUND

Under the residential mortgage lending act, and in connection with evaluating originator applications, the Commissioner is charged with assessing each applicant's qualifications, character, and fitness to hold a license. No license shall be issued unless the commissioner, upon investigation, finds that the financial responsibility, character, and fitness of the applicant, are such as to warrant a belief that the business will be conducted honestly and fairly within the purposes of the laws and regulations applicable to them and the activity to be conducted with the license. At times, the review of originator applications may be complete in a significantly shorter period than required to obtain a criminal history report. This policy is being enacted to allow individuals to begin originating loans for a mortgage broker or lender in cases when the review of the application may be complete but the background check has not been received.

SPECIFICS

An applicant for an originator license under the residential mortgage lending act, may request a conditional license upon receipt of an application by the Office of Financial Institutions. In his discretion, the Commissioner may grant a conditional license when a complete application has been reviewed by Office of Financial Institutions and all of the following apply:

- Individual applying for a conditional license has submitted an original, signed, written letter requesting a conditional license to the Office of Financial Institutions
- Application is deemed complete including meeting all continuing education or pre-licensing testing requirements
- All applicable fees have been paid
- Applicant has truthfully answered no to all Criminal Disclosure questions contained on the application
- Originator's compensation and/or employment agreement conforms to OFI Policy RML 01-03 (definition of employee) and R.S. 6:1090 G. (prohibition of operating a net branch)

Any conditional license which has been issued by the Commissioner may be immediately suspended pursuant to R.S. 6:1092(A)(17) if subsequent to its issuance, a criminal history report is received that reveals any criminal conviction which was not revealed in the application.



John Ducrest, Commissioner